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Equitable Taxation League

For a greater and better Missouri by just taxation

Kansas City

1912

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No 3

For A Greater and Better

MISSOURI

BY JUST TAXATION

Which Will Remove Injurious Taxes from Our Industry and Our Commerce to the Amount of Over $15,000,000 Annually

PROPOSED AMENDMENTS TO THE STATE CONSTITUTION TO BE SUBMITTED TO VOTERS AT NOVEMBER ELECTION, 1912

REASONS FOR ADOPTION

The Equitable Taxation League

FRANKLIN D. CRABBS, Chairman,
Pres. Union Bank Note Co.

THORNTON COOKE, Treasurer.
WILLIAM A. BLACK, Secretary.

441 MIDLAND BUILDING
KANSAS CITY, MO.

Home Main 5251. Bell Main 4351.

EXECUTIVE COMMITTEE

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A. A. WHIPPLE, Whipple-McMillan Realty Co.
JUDGE J. M. JOHNSON, Kansas City Court of Appeals.
ED T. OREAR, ex-State Insurance Commissioner.
PAUL A. SIMONDS, Fergason, Tabb & Simonds.
CHAS. A. SUMNER, Member Public Utilities Commission.
FRANK P. WALSH, Attorney.
THORNTON COOKE, Vice-Pres. Fidelity Trust Co.

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H. P. HILLIARD, Treasurer, Pres. Central Nat'l Bank.
S. L. MOSER, Secretary.

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WILLIAM MARION REEDY, Editor "Mirror."
CHAS. W. BATES, ex-City Counselor, St. Louis.
EDWARD C. CROW, Attorney, Member Missouri State Tax Commissions, 1903 and 1907.

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CHARLES LISCHER, Treas. National Pressed Brick Co.
OWEN MILLER, Pres. Mo. State Federation of Labor.

FRANK P. WALSH, Attorney, Kansas City.
THORNTON COOKE, Vice-President Fidelity Trust Co., Kansas City.
D. E. McDOWELL, President Joplin Trust Co.
SEN. LAWRENCE A. VORIES, Attorney, St. Joseph.
S. L. CRAIG, Real Estate and Loans, Springfield.

Ex-Officio Members: President, Secretary and Treasurer.

OFFICE:

500-501 TIMES BUILDING, ST. LOUIS, MO.

JUST TAXATION

The Equitable Taxation League will submit two proposed taxation amendments to the voters, for their approval at the November election in 1912.

The first amendment proposes to exempt all kinds of personal property and improvements from taxation; to abolish license taxes on merchants and manufacturers and on occupations, not requiring police regulation; and to prohibit poll taxes.

The second proposes to abolish the present State Board of Equalization and to create a permanent State Tax Commission, to secure uniformity of assessments throughout the State.

All persons who favor the first amendment will be interested in the second, which will be necessary to secure the effective enforcement of the first.

The proposed amendments are as follows:

(1)

PROPOSED AMENDMENT, BY INITIATIVE PETITION, TO THE CONSTITUTION OF MISSOURI, SUBMITTING TO THE LEGAL VOTERS OF THE STATE OF MISSOURI FOR THEIR APPROVAL OR REJECTION, AT THE GENERAL ELECTION TO BE HELD ON THE TUESDAY NEXT FOLLOWING THE FIRST MONDAY IN NOVEMBER, 1912, BY ADDING NEW SECTIONS RELATING TO REVENUE AND TAXATION, TO ARTICLE X.

Be It Enacted by the People of the State of Missouri, as follows:

Section 1. All property now subject to taxation shall be classified for purposes of taxation and for exemption from taxation, as follows:

CLASS ONE shall include all personal property. All bonds and public securities of the State, and of the political subdivisions and municipalities thereof, now or hereafter issued, shall be exempt from all taxes, State and local, from and after the adoption of this amendment; and all other personal property shall be exempt from all taxes, State and local, in the year 1914 and thereafter; provided that nothing in this amendment shall be construed as limiting or

denying the power of the State to tax any form of franchise, privilege or inheritance.

Class two shall include all improvements in or on lands, except improvements in or on lands now exempt from taxation by law. In the years 1914 and 1915, all property in Class Two shall be exempt from all taxes, State and local, to the extent of one-fourth of the assessed value of such property; in the years 1916 and 1917, to the extent of two-fourths; in the years 1918 and 1919 to the extent of three-fourths, and in the year 1920 and thereafter all property in Class Two shall be exempt from all taxes, State and local; provided, however, that in the year 1914 and thereafter, the improvements to the extent of $3,000.00 in assessed value on the homestead of every householder or head of a family, shall be exempt from all taxes, State and local.

Class Three shall include all lands in the State, independent of the improvements thereon or therein, except lands now exempt from taxation by law, and shall also include all franchises for public service utilities, and no property in Class Three shall ever be exempt from taxation.

Section 2. All property subject to taxation in this State shall be assessed for taxes at its true and actual value.

Section 3. No poll tax shall be levied or collected in Missouri, nor shall any tax whatsoever be levied or imposed on any person, firm, merchant, manufacturer, trade, labor, business, occupation or profession under the form or pretext of a license for revenue after December 31st, 1913, but nothing herein shall be construed as affecting the licensing of any business, occupation, profession, place or thing in the interest of the public peace, health or safety; and nothing herein contained shall be construed as changing the present laws governing the regulation of the manufacture and sale of fermented, vinous and spirituous liquors.

Section 4. The existing constitutional limitations upon the rates of taxation for State, County, School and Municipal purposes shall have no force and effect after January 1st, 1914.

Section 5. The General Assembly shall provide the legislation necessary to secure full and effective

compliance with the purposes and intent of this amendment. Nothing in this amendment shall be construed to limit the initiative and referendum powers reserved by the people.

(11)

PROPOSED AMENDMENT, BY INITIATIVE PETITION, TO THE STATE CONSTITUTION OF MISSOURI, SUBMITTING TO THE LEGAL VOTERS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE GENERAL ELECTION TO BE HELD ON THE TUESDAY NEXT FOLLOWING THE FIRST MONDAY IN NOVEMBER, A. D. 1912, REPEALING SECTION 18 OF ARTICLE X OF THE CONSTITUTION OF THE STATE OF MISSOURI AND ENACTING IN LIEU THEREOF A NEW SECTION TO BE KNOWN AS SECTION 18, CREATING A STATE TAX COMMISSION.

Be It Enacted by the People of the State of Missouri, as follows:

Section 18. The present State Board of Equalization shall be abolished on January 31st, 1913, and in its stead a State Tax Commission of three members is hereby created, to be appointed by the Governor, who shall in the beginning appoint one member for two years, one member for three years and one member for four years and all subsequent regular appointments shall be for terms of four years and until their successors are appointed and qualified. The terms of those appointed shall begin February 1st, 1913, and the salary shall not be less than $3,600.00 per year each. No member shall at the same time hold any other State, Federal or Governmental position or office, elective or appointive. It shall be the duty of said Commission to see that the laws concerning the assessment of property and the levy and collection of taxes are faithfully enforced; to adjust and equalize the valuation of property among the several counties and the City of St. Louis; and to perform such other duties as may be prescribed by law.

The General Assembly shall provide the legislation necessary to secure full and effective compliance with the purpose and intent of this amendment. Nothing in this amendment shall be construed to limit the initiative and referendum powers reserved by the people.

REASONS FOR ADOPTION

There is necessity for some radical change in our system of taxation in Missouri. Taxation experts are agreed upon this, and have repeatedly pointed out the glaring inequality, inefficiency and absurdity of our present system.

The manifold evils resulting therefrom stimulated the agitation against it, until finally the General Assembly of 1901, in response to public opinion, created a State Tax Commission, to make a comprehensive study of the whole subject and to recommend remedial legislation. Governor Dockery appointed on this commission **Judge W. M. Williams, Attorney General E. C. Crow** and **Judge Peyton A. Parks,** who made an exhaustive report to the General Assembly in 1903. **In no uncertain terms they commented upon the evils complained of in the present system and pointed out remedial legislation which, however, failed of adoption.**

The continued demands for relief, however, led Governor Folk to appoint a second State Tax Commission in 1906, composed as follows:

Frederick N. Judson, Author of Taxation in Missouri; **Attorney General Herbert S. Hadley; Judge W. M. Williams; Dr. Isidor Loeb,** Professor of Political Science in our State University; **ex-Attorney General E. C. Crow; F. M. Crunden,** Librarian of the St. Louis Public Library, and **John H. Bothwell,** member of the Forty-second Assembly.

This Second Commission in its report fully concurred with the Commission of 1903 as to existing tax evils, and likewise strongly urged remedial legislation, which was submitted to the voters of the State for approval in 1908, but failed of adoption because its provisions were not understood by many of the voters.

Since then leading educational, official, business and economic associations, as well as the press of the State, have repeatedly urged that some adequate legislation on the subject be adopted.

In response to this **general and increasing public demand, the Equitable Taxation League** was organized to prepare and submit these two Constitutional

Amendments, which have been most carefully drawn after months of study and consultation with leading experts on taxation.

This League in the construction of the Taxation Amendment was guided solely by the well known principles of taxation, which are now recognized as self-evident by eminent authorities, thinkers and publicists.

The Rules of Taxation.

The first rule classifies taxes as relatively good or bad. **A tax that produces the maximum of revenue for the State with the least disturbance to productive industry and commerce is called a good tax.**

Whereas, on the contrary, a bad tax is one that disturbs, hinders or destroys business and industry.

To give an extreme illustration of a bad tax: A tax of $1.00 a year on every fruit tree in Missouri would tend to prevent any more fruit trees from being planted in the State, and also cause orchards and fruit trees already in existence to be cut down. Such a tax would be called a bad tax by experts because it would destroy an industry without producing much revenue for the State. Such a tax, though it seems absurd to us now, has been levied many times in the past in all seriousness.

The second rule classifies property as movable and immovable. Taxation upon the products of industry tends to diminish the supply of things upon which it falls.

For instance, when we tax something movable, it tends to drive it, as well as its owners, away; and it also tends to prevent it or its owners from coming into our community.

When something that may be developed or produced is taxed, the tax will discourage its development or production, and thus decrease its volume in the locality where it is taxed, as the fruit tree illustration shows.

Such self-evident facts have led authorities to formulate the golden rule of taxation as follows:

Never tax good things that could be moved away from your community; or that could be moved into your community; or that could be produced or developed more easily in your community, if not taxed.

Movable and Immovable Property.

Movable property, as its name implies, can be moved from place to place, as its owner chooses.

The immovable is fixed. Land is the only truly immovable property, because buildings and other improvements on land have to be moved onto the land before they can exist, and though after they are built they may appear to be practically immovable, yet they may be removable because of a change in economic conditions; whilst all are removable by the decay of time.

Buildings and other improvements are really **chattels attached to the land** and should be regarded, from the standpoint of taxation, as partially movable property, because taxation can discourage their erection and therefore prevent or hinder their being moved onto the land.

Land Cannot Be Decreased by Taxation.

Another significant fact is that land is the only species of property the amount of which cannot be decreased by taxation. On the contrary, taxation forces an increase in the beneficial use of it, whereas taxation on anything else tends to diminish not only the use, but also the supply on which it falls.

Do We Want More Merchants and Manufacturers in the State,

who would increase business and the opportunities for employment? If so, why support a system that acts as an obstacle to their coming? Merchants' and manufacturers' license taxes and taxes on personal property not only handicap those already here, but tend to keep others from coming to us. They repress industry and commerce, penalize thrift, discourage production and retard progress.

Other cities in the United States have adopted the wise policy of abolishing all license taxes on merchants and manufacturers and all taxes on sales. If we wish the cities of our State to be able to compete successfully with these we must place them on an equal footing of progressive legislation.

Why spend money to advertise the resources of Missouri and invite immigration to our State and

at the same time maintain a tax system which tends to keep it away and to drive our people away?

Do we want more population in the State? More population means more buildings, more trade for our merchants and greater prosperity. It means fewer vacant lands, more and better social and educational advantages. Then why maintain a taxation policy that directly tends to decrease population?

The census returns in Missouri for the last decade showed a decline in population in 71 counties and in 196 cities, towns and villages. Can any well informed Missourian truthfully say that this decline was not in a large measure due to our bad, unjust, inequitable and indefensible methods of taxation?

Most municipalities have vaguely recognized the effect of taxation, by taxing dogs on purpose to check an increase in their number, and thus the community is saved from the nuisance of being overrun with dogs.

A tax on dogs checks their increase, by making them more costly to possess; likewise a tax on the products and processes of industry makes them more costly, and thus makes them more difficult to purchase, decreasing their demand and lessening their production.

If a tax on dogs checks their increase, a tax on buildings, on machinery, on furniture, on clothing and on food will have a like effect on them.

For instance, a tax on building material and on buildings makes them cost more to erect and to hold. **Hence a higher price must be charged for their occupancy; therefore tenants are forced into smaller places,**

Fewer Buildings are Erected,

and fewer artisans find employment on new buildings. In that case the purchasing power of tenants is artificially reduced by taxation, and the building industry is restricted and hampered by it.

Do we want more capital to come into the State to develop our resources? Do we all recognize that this would be a good thing? If so, then why tax this good thing when we know that it is easily removable and can be driven away into more favorable localities, or prevented from coming here in the first place?

Capital is personal property. A tax on personal property is open to other grave objections. History teaches no lesson so emphatically as that it is impossible to collect the personal property tax with any approximation to fairness and justice. Even the Spanish tyrants armed with the dreadful machinery of the Inquisition failed utterly in the attempt to collect this tax. It is a bad tax in the sense that it produces little revenue for the State, with great injury to productive industry. Again, it is a bad tax because it is unequal in its burden and bears heaviest on those least able to pay. And finally it is a bax tax because it is

A Tax on Conscience

and places a premium upon perjury and evasion.

A poll tax comes in the same class; it is a relic of barbarism, and has long ago been discarded by all the progressive nations of the earth. Among the nations still levying this relic of the dark ages are Russia, China, Persia, Turkey and about twenty of our United States. It is time for Uncle Sam to get out of such company and join the other civilized nations. Ninety-one counties in Missouri still cling to this relic of barbarism. Comment is unnecessary. If we wish our State to be able to compete with other enlightened communities we must cease classifying men as property, to be taxed like cattle, by the head.

All such taxes violate the true principles of taxation; they violate the moral law and the true rights of men and of property. They take by force what belongs to the individual alone; they give to the unscrupulous an advantage over the scrupulous; their discriminating effect is shown in that they serve to increase the price of what some have to sell, and others must buy;

They Corrupt Government;

they make oaths a mockery; they throttle commerce; they punish industry and thrift; they lessen the wealth that men should enjoy and enrich some, by impoverishing others.

For these reasons this amendment provides for the immediate abolition of all taxes on movable property in Class 1, Section 1, in the year 1914, and

thereafter, and for the gradual removal of taxes on improvements which are partially movable property, in Class 2, same section.

For like reasons it prohibits the levying of the license taxes on merchants and manufacturers, and also abolishes the poll taxes which are universally recognized as inequitable, unjust and indefensible.

TAX THE "UNEARNED INCREMENT."

The question naturally arises, Where shall taxation be placed and what are the weighty reasons why they should fall on land and franchise values?

In the first place there is no other place where they can fall. If for sound principles of taxation and of government you abolish all taxes on industry, commerce and business, then you must tax land and franchise values as the only other alternative.

Alexander Hamilton said in the Constitutional Convention that drafted the United States Constitution: "We must tax land or industry." There is no other choice; all taxes, whatever their name and no matter how disguised, will rest ultimately on one or the other.

But there are other sound reasons to support this policy.

Land and Franchise Values Increase With Population.

In the first place, these values are never the result of individual effort. They are due entirely to the presence, necessities and activities of population. As population increases, land values and franchise values increase. With a decrease of population these values decline. They are, therefore, the product of the community as a whole and for the same reason that the individual should support himself by what he produces, so society or the State should support itself by what it creates.

As society and the needs of organized government increase, there is a corresponding increase in the value of land, and therefore the fund from which government should derive its revenue increases; hence both the demands of justice and the dictates of expediency command that we should secure our revenue from that source.

This increase in the value of land has been called the "unearned increment"—"unearned" because the

title to land originates in law, not in human toil; "unearned" because the value of such title is the worth of a legal privilege, not wealth "earned" by human labor.

To tax land values, therefore, does not take away from anyone what he has produced. It is merely taxing for the community the values that are created by the community. It leaves the landowner what is truly his, it leaves you yours, it leaves me mine, and it gives to all of us as a community the public revenue which is rightfully ours.

For the expenses of organized government there must be revenue, and that revenue must be derived either from the taxation of values created by the whole people, or from the taxation of individual effort and initiative. There can be no other alternative.

Either the legitimate and necessary expenses of the State must be defrayed by the values really created by the whole people, or individuals must be deprived of a part of their legitimate earnings.

If, therefore, we allow the

Values Created by the Whole Community

to partially escape taxation on the one hand, and on the other exact the products of individual effort to support the government, we are practically confiscating the property of some individuals for the benefit of others.

This is what we are doing under our present system of taxation in Missouri to the extent of one-half of our public revenues.

There are about **fifteen million acres of land in this State being held vacant and out of use, mainly** because it is more profitable to hold them for a speculative rise than to improve them.

These fifteen million acres of land held vacant in Missouri, together with all the other lands of the State, have doubled in value in the last ten years. **Our present system of taxation directly encourages the holding of this land, vacant and out of use.**

Idle lands are useless as producers of wealth. They employ no one; on the contrary, the holding of such lands vacant prevents employment. You cannot sell goods to vacant lots. When a vacant lot is occupied

and improved, merchants have a customer and the consumer increases the demand for production.

Are Land Values Sufficient for This Purpose?

Undoubtedly; the land and franchise values in this State amount to about $2,200,000,000, which is **$500,000,000 more than the present total assessments of** all property in the State, and therefore a moderate tax rate will be amply sufficient to defray all the necessary expenses of government.

Does Not Abolish Private Property in Land.

This amendment does not raise the question of the abolition of private property in land, or its confiscation by taxation, as its opponents might claim.

The very modest and moderate application of these sound principles of taxation brought about by this amendment is very far removed from any such extreme as that.

We claim that every individual in Missouri will be benefited by this amendment, regardless of his status or condition, **not excluding the land owners themselves.**

TEST FROM EXPERIENCE.

The principles of this amendment have been demonstrated by experience, and are no longer dependent on argument merely. Such benefit has been conferred where this system has been applied in **Wellington**, New Zealand; in **Sydney**, Australia; in **Vancouver**, British Columbia; in **Edmonton** and **Calgary**, Northwest Canada; and in many of the principal **cities of Germany.**

Lands Increased in Value

in these cities when all taxes were raised from a land value assessment. The explanation of the fact is that upon the removal of taxes on production, men sought those places in preference to others.

The essential feature of this system is that the removal of taxes from industry, improvement and personalty invites the investment of new capital and the influx of new laborers. The resulting increase of population, industry and commerce increases the demand for land, which in turn causes an increased value, more than sufficient to offset the increased tax.

It is an incontrovertible fact that **the value of land falls at the places from which people move away, and increases in the places to which they go.**

People go where industry is free and not taxed, because there it flourishes and there they can most easily make a living.

Hence the State first applying land value taxation will gain an enormous advantage over its competitors.

Not only would new capital and labor seek Missouri, if industry and commerce were relieved of unjust tax burdens, but capital and labor already here would find readier and more profitable employment.

Taxes on land values are not taxes on real estate. Real estate and land values are not synonymous terms by any means. Houses, buildings, orchards and other improvements on land are "industrial wealth," and do not come under the head of land value.

Real estate covers two distinct things: first, land value; second, the improvements thereon.

No Burden Upon Homes and Farms.

It is not true, therefore, to say that land value taxation will impose a burden upon homes and farms. Every real farmer and real home owner in city or country will be directly benefited in dollars and cents by land value taxation.

THE LARGEST PART OF THE LAND VALUE IS LOCATED IN CITIES.

One Single City Block Illustrated.

The block in St. Louis occupied by the Barr Dry Goods Company is a striking illustration of the enormous values that are **produced by the presence, necessities and activities of a great population.** Here is a tract of one and three-tenths acres which has increased in value from $2,000 in 1817 to a present actual market value of $6,000,000 on the land independent of all improvements, or **$4,615,000 per acre.** There are **82 counties** in this State in any one of which the present total assessed value of real estate **is less than the actual market value of this single city block, without improvements.**

WHERE LAND VALUES ARE REALLY LOCATED.

Farmers own a large part of the land in the State, **but they own little land value.** Large land values are located in and contiguous to the cities. The assessed valuation of real estate in cities and towns in 1910 for the taxes of 1911 totaled $697,695,715.00, which was 61½ per cent of the total real estate value of the State, whereas the assessed valuation of all acre property aggregated $438,028,815.00, which was 38½ per cent of the total. But the farmers do not, by any means, own all of this acre value, because a large percentage of the acreage valuation is contiguous and surrounding the cities, and is not valued for farming purposes, but valued for anticipated city growth. Lead, coal, zinc and other mines also constitute values that must be deducted from the acreage valuation to form a correct estimate of what is actually held for farming purposes. The late Hon. Tom L. Johnson estimated that the actual land value held by farmers did not approximate more than 20 per cent of the total.

When we take into consideration the small land value of the farmer, together with his compensating exemptions on all kinds of personal property, buildings, fences, orchards, and all unexhausted labor values on the land, it is easy to see that **the great majority of farmers will be benefited by this amendment,** as well as home owners generally.

Another point: There is a great saving in the assessment and collection of taxes under the land value tax as compared to the present system. This saving has been estimated at

$120,000 a year in St. Louis,
60,000 a year in Kansas City, and about
360,000 a year in the strictly rural counties.

In the State as a whole the saving will be something more than $600,000 a year.

There are 42,939,465 acres of land subject to taxation in this State, and the taxes on these lands amount altogether to about $3,600,000. Twenty-seven million, nine hundred and thirty-nine thousand, four hundred and sixty-five (27,939,465) acres are improved farms, which are assessed at an average of from $10 to $15 an acre. Fifteen million (15,000,000) acres are vacant lands which are assessed at from

$3 to $5 an acre. It is evident that under the present system the bulk of taxation falls on the improved lands. Now if we exempt all the improvements on the improved lands and tax all the lands, whether they are improved or vacant, at their actual value, it is evident that the vacant lands will pay considerably more in taxes and the improved lands will pay much less than they pay now. In addition to this the rural counties will get the benefit of the great saving in the assessment and collection of taxes under the land value system.

This will stimulate and encourage home building in cities, towns and country as never before in this State.

An abiding prosperity and

A Greater and a Better Missouri

will result by taxing for the community the values that are produced by the community, and exempting from taxation the values that are produced by the toil of the individual.

Which is it best to do, to tax those who increase wealth, multiply improvements, extend commerce, or those who hold its land vacant and thus retard industry and commerce?

The most desirable citizens are those who produce the most wealth for the State for each dollar of land value they hold. But under the present system the great weight of taxation falls on these; we punish their progressive spirit, and encourage those who hold opportunities idle and unused.

In one word the indictment against the present system is that the burden of taxation falls not upon the value of the opportunity, which a man owns, but on the use that he makes of it. The better the use, the more we tax him. The exact opposite of this is dictated by the sound principles of taxation.

Tax Not Industry; Tax Those Who Prevent Industry.

We want more wealth produced. It is irrational to tax a man for producing wealth. It is absurd to tax those who do the most for the benefit of the State, and to tax the least those who have the same opportunity and make no use of it.

Reform in taxation, therefore, is like any other improvement in the arts, industry or transportation,

or any other advance in civilization; it benefits every class of a community and the landowners as much as any other class. So true it is that justice injures no one in the long run, but brings abiding peace and prosperity to all.

Aside from all these points this amendment is in complete harmony with

The Bill of Rights of Our Constitution,

which declares "**that all persons have a natural right to life, liberty and the enjoyment of the gains of their own industry.**"

All the exchangeable values of an industrious people fall into two classes: **Individual Gains,** which are personal products, and the **Community Made Gains,** in land and franchise values, which are public products.

By the universally recognized right of the producer to his product, these publicly created values should be taxed to raise our needed public revenues; hence every dollar of tax on the products and processes of industry and enterprise, so long as the actual and potential incomes from the "unearned increment" exceeds our public revenues, is unjust, and is imposed in violation of our Bill of Rights.

In conclusion we believe this amendment to be not only a measure of justice, but one of the highest expediency and practicability and upon it we confidently invoke the calm and considerate judgment of our fellow citizens, and earnestly invite their hearty coöperation to secure its adoption.

HOW WILL IT AFFECT THE FARMER?

This question has been asked us repeatedly, and in answer to it we submit the following editorial by Herbert Quick, editor of "Farm and Fireside," entitled:

OUR COLLAR BUTTON SYSTEM OF TAXATION.

A movement is on somewhere all the time to exempt personal property from taxation in whole or in part, and to concentrate the revenue burden on land values exclusive of improvements. It is at this

time in evidence in Missouri and in Oregon. Almost always in these cases the farmers stand out for what we may call the collar button system of taxation, which seeks to list and tax every blessed atom of property in the community. Just why the farmers should do this is one of the mysteries of human conduct. It would seem that by this time farmers should have learned that they always lose by any law taxing personal property. Money hides. Mortgages and notes disappear across the state lines. Pictures and statuary are beyond the assessor's imagination as to value. Stocks and bonds go to New York for a vacation when the assessor comes around. A fifty thousand dollar house doesn't seem much more valuable to the assessor than one of a tenth the cost. But the cattle, hogs, wheat, corn, sheep, hay, barns, fences, silos and everything else that the farmer owns in the way of personal property and improvements are right before the assessor's eyes. Widows and orphans have their personal property listed in court and can't escape the tax. Hence it becomes true that the only persons who pay the personal property taxes to any considerable extent are widows, orphans and farmers. The farmers of western Canada like the system of placing all the taxes on land values. They have discovered that the most valuable land in the world, and that which bears the heaviest tax, is in the cities and not in the farms. The farmers of Missouri should reflect on the fact that with personal property exempted they would be on a basis of equality with the land owners of the city.

The farmers own the least valuable land—the thing which cannot be hidden—and most of the personal property which is visible. And yet they go on crying: "Please put the taxes on the things which the other fellow can hide, and which I can't hide."

The following two letters lend emphasis to the foregoing:

Calgary, Alberta, Dec. 4, 1911.

Mr. S. L. Moser, Equitable Taxation League,
St. Louis, Mo.

Dear Sir: At present I am spending a considerable portion of my time on the road, attending meetings

of our locals, and I think I can safely say that the question of taxation of land values has taken a strong hold of our farmers here.

At almost every place I go I am asked questions relating to the subject, and in the majority of instances a resolution will be adopted in favor of the measure.

I am informed that the rate payers in Edmonton are more than satisfied with the system. The city of Lethbridge will adopt the same plan next year.

Last summer I sent out a circular letter on the question of the taxation of land values, and from the answers received I can state that 90 per cent of our people would favor this change.

At a convention held in Calgary last week we had a very interesting discussion lasting nearly the whole of one session, and the gratifying part of the whole debate was that at the close, the convention, consisting of 150 delegates, placed itself on record as being unanimously in favor of the taxation of land values.

EDW. J. FREAM,
Sec. and Treas. United Farmers of Alberta.

Valley River, Manitoba, Nov. 27, 1911.

Mr. S. L. Moser.

Dear Sir: I am a farmer in Manitoba and have been for twenty years, and our laws in regard to taxation as far as rural property is concerned are as far advanced as your new constitutional amendments will place you.

If a farmer builds a new barn or paints the old one, the assessor may admire it, but never adds a cent to the assessment.

I am told that in some counties the man who paints his home is fined every year till the paint peels off. Were our Municipal Council to attempt such reactionary taxation, the sarcasm of our people would know no limits.

We greet the assessor as a friend and not as a spy. He is a hale fellow, well met, and any questions he asks are truthfully answered, for they are only asked for statistical purposes and not for the purpose of fining industry.

I certainly think your most intelligent farmers will support these amendments.

WM. J. BOUGHEN.

Tenant farmers cannot object to land value taxation on the ground that it will burden their property. They own no land. Neither tenant farmers nor owning farmers can avoid taxes on personal property, for you can't hide a cow in a safety deposit box—but you can hide a mortgage, money, jewelry, stocks and bonds.

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